

# BRENTWOOD REDEVELOPMENT AGENCY

## Redevelopment 101

### 2007





# Brentwood Redevelopment Agency

- ❑ In 1981, Brentwood City Council formed the Redevelopment Agency and subsequently adopted two redevelopment project areas.
- ❑ Brentwood Redevelopment Project Area, known as the Downtown Project Area, in 1982.
  - Amended to add territory in 1983 (Harvest Park area).
- ❑ North Brentwood Redevelopment Project Area in 1991.
  - Amended to add territory in 2002 (Sunset Area).
- ❑ 1319 Total Acres.



# Redevelopment Law

- ❑ Redevelopment agencies are established and operated under the laws of the California Community Redevelopment Law (CRL).
- ❑ Separate and distinct legal public body that reports to the local governing body of the community (city council).
- ❑ As a separate legal body, the agency is required to have:
  - Separate meetings and minutes.
  - Separate resolutions.
  - Separate accounting systems.
  - Separate bylaws.



# Redevelopment Law

- ❑ In all but a few agencies, the local governing body (city council) also serves as the redevelopment agency board.
  - Benefit is that the redevelopment agency is ultimately responsible to the voting public by the same persons elected by the citizens.
- ❑ An agency must account to its city and to the State by preparing annual financial and housing reports.
- ❑ CRL specifically describes when, where and how redevelopment may be used in a community.

# Redevelopment Plans

- ❑ Redevelopment plans are not concept maps showing land use and types of buildings.
- ❑ Rather, redevelopment plans act as the agency's charter by establishing:
  - The agency's purposes and planning goals.
  - The legal framework for revitalization activities.
  - The basic powers and limitations of the agency.
  - The financing methods to fund the revitalization activities.
  - Must be in harmony with the City's general plan.



# Redevelopment Plans

- ❑ Redevelopment Plans are locally created and adopted so they respond to our community's unique needs and vision.
- ❑ Agencies adopt Five-Year Implementation Plans to provide more specificity about revitalization projects, programs and expenditures.
- ❑ Redevelopment can only be used in areas that suffer from "blight." What is blight?

# What is Blight?

- ❑ The evidence of blight is a prerequisite to the formation of a redevelopment project area.
- ❑ The elimination of blight is the legal justification for the use of the extraordinary public powers authorized by CRL.
- ❑ The characteristics and definition of blight are defined by the state legislature.



# Blight Definitions

The area must have one or more adverse physical conditions:

- Aging, dilapidated and poorly maintained buildings.
- Incompatible adjacent or nearby uses of land parcels that hinder economic activity.
- Physical factors such as susceptibility to flooding that jeopardizes occupancy safety.
- Outdated and inefficient building configuration and design.
- Inadequate and obsolete infrastructure such as utilities, storm drainage, sewers, street lighting and inefficient street systems.
- Excessive code violations.





# Blight Definitions

The area must have one or more adverse economic conditions:

- High business vacancies.
- Low commercial and residential lease rates.
- High turnover rates.
- Depreciated or stagnant property values.
- Hazardous waste and other negative environmental conditions.
- Lack of private re-investment.
- High criminal activity.
- High concentration of liquor stores, bars, adult stores.
- Few jobs.

# Aging and poorly maintained structures





# Health and safety; uninhabitable conditions





# Excessive code violations





# Inadequate infrastructure







# Physical factors that jeopardizes occupancy





# Overcrowded conditions



# Lack of private re-investment







# Additional Blight Requirements

- ❑ Blighting conditions must substantially burden the existing uses of the area.
- ❑ An area must be predominately urbanized, meaning 80% of the land has been or is developed for urban uses.
- ❑ An area must be deteriorated to such an extent that it constitutes a serious physical or economic burden on the community that cannot reasonably be expected to be reversed or alleviated by private enterprise or government action alone.

# Blight Findings

- ❑ Courts are scrutinizing whether specific and quantifiable evidence exists to support the findings that a project area is blighted.
- ❑ Once blight has been established at the time of plan adoption, it does not need to be re-established during the life of the plan, except to extend the authority of eminent domain.



# Blight Findings

*If my community adopts a redevelopment program that includes my home or business, does that mean my home or business is “blighted”?*

- ☐ NO. Blight is a legal term used solely for the purposes of determining whether a community can qualify a certain area for redevelopment.
- ☐ Some areas that qualify for redevelopment often have well-maintained homes and businesses interspersed among deteriorating structures.



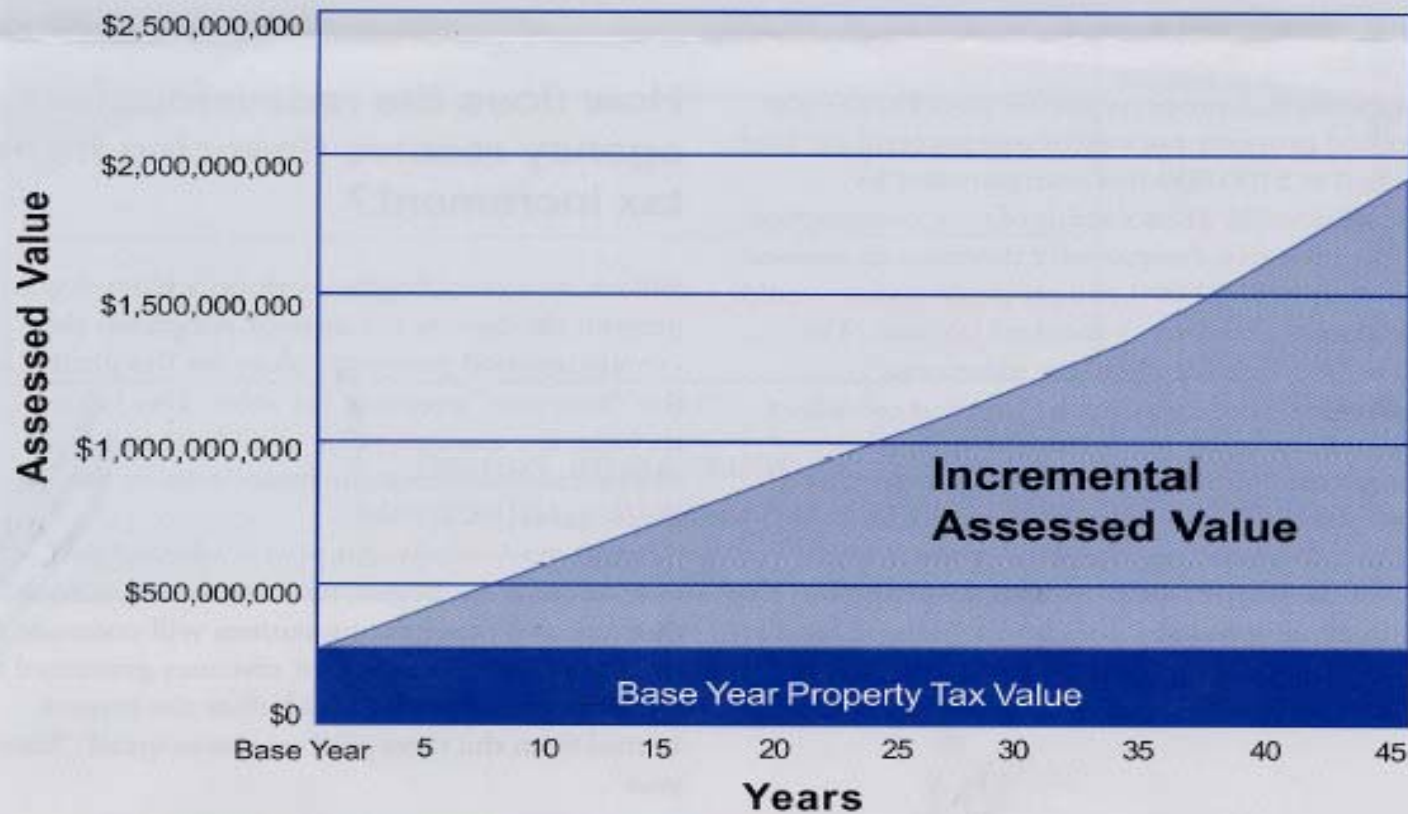
# Redevelopment Revenue

*How does a redevelopment project area financially sustain itself?*

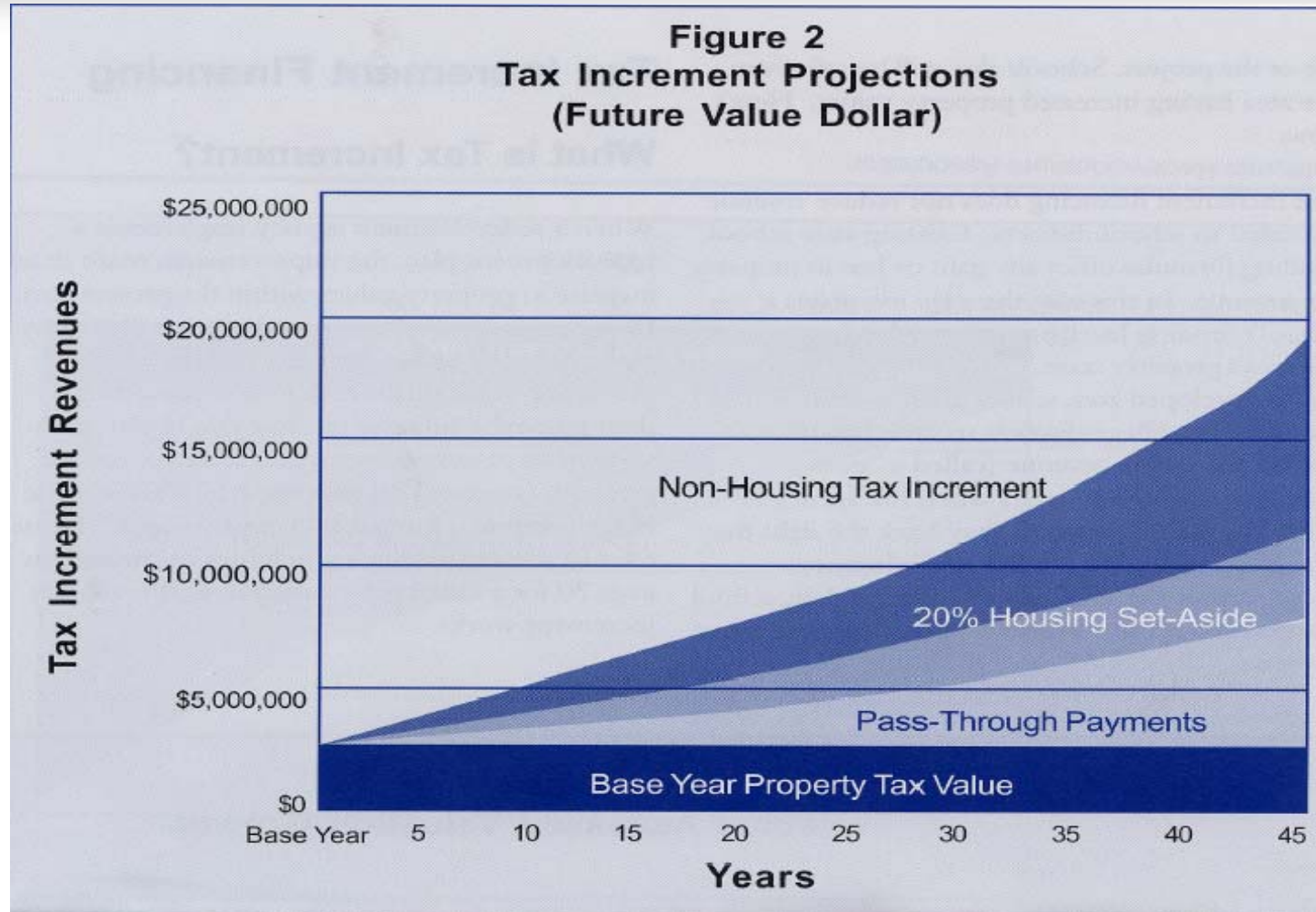
- ☐ As a project area is revitalized, it begins to generate revenue to pay its own way.
- ☐ This revenue is know as TAX INCREMENT.
- ☐ The authority for tax increment financing was approved by the voters of California in 1951.

# Redevelopment Revenue

**Figure 1**  
**Projected Assessed Valuation Growth**



# Redevelopment Revenue







# Redevelopment Revenue

*Will being in a redevelopment project area  
increase property taxes?*

- ☐ No. Simply being in a redevelopment project area will not increase your property taxes.
- ☐ Property tax increment revenues are the result of the rise in property values not an increase in tax rates.
- ☐ Property taxes can only be changed by the county as a result of:
  - Sale of property
  - Significant improvements made by owner



# Redevelopment Plan Limits

- ❑ In 1994, AB1290, known as Redevelopment Reform Act, affected both existing and new project areas.
- ❑ Tightened the definition of blight.
- ❑ Instituted statutory payments to affected taxing agencies.
- ❑ Imposed new time limits.
  - Time limit to receive tax increment and repay debt: 45 years (was 50)
  - Time limit for plan activities: 30 years (was 40)
  - Time to incur debt: 20 years (was 30)
  - Maintained the time limit for eminent domain authority: 12 years (can be extended upon finding that blight still exists)





# Redevelopment Plan Limits

- ☐ Included a “death penalty” for agencies failing to use their housing funds.
- ☐ Repealed the authority of agencies to receive sales tax revenues.
- ☐ Required the preparation of Five-Year Implementation Plans.
- ☐ In summary, AB1290 had a dramatic impact on plan adoption process: much more difficult resulting in fewer new project area adoptions.
- ☐ State legislature remains serious about terminating redevelopment project areas.



# Redevelopment Fundamentals

- ❑ Using tax increment revenues, purpose of redevelopment is to help revitalize older, rundown neighborhoods and business districts typically found in the historic cores.
- ❑ Rather than developing on the fringes of a community, redevelopment typically addresses issues in older areas of town.
- ❑ Rundown conditions and poor infrastructure act as major deterrents to the private sector investing money in the older sections of town.
- ❑ Most cities' economic, infrastructure and housing development goals are often achieved by using the tool of redevelopment.



# Redevelopment Fundamentals

- ❑ Private enterprise can seldom afford the high risk associated with rebuilding and revitalization:
  - Costs of assembling smaller parcels for a comprehensive development.
  - Environmental remediation.
  - Relocation expenses.
- ❑ The tool of redevelopment is one of the most effective ways to breathe new life into areas plagued by social, physical, environmental and economic conditions which act as a barrier to new investment.



# Benefits of Redevelopment

The following are typical examples of how communities are using the spirit and intent of redevelopment:

- ☐ Attraction of new businesses and jobs.
- ☐ Revitalization of downtown districts.
- ☐ Creation of cultural, shopping and entertainment opportunities.
- ☐ Construction or improvement of street lights, roads, water, sewer, and storm drain utilities.
- ☐ Revitalization of waterfronts and surplus military bases.
- ☐ Transformation of brownfields into productive uses.
- ☐ Preparation and implementation of specific plans.
- ☐ Preservation of local historic homes and buildings.
- ☐ Development or improvements of public facilities such as libraries and parks.
- ☐ Ultimately increase overall city revenues to provide greater services.

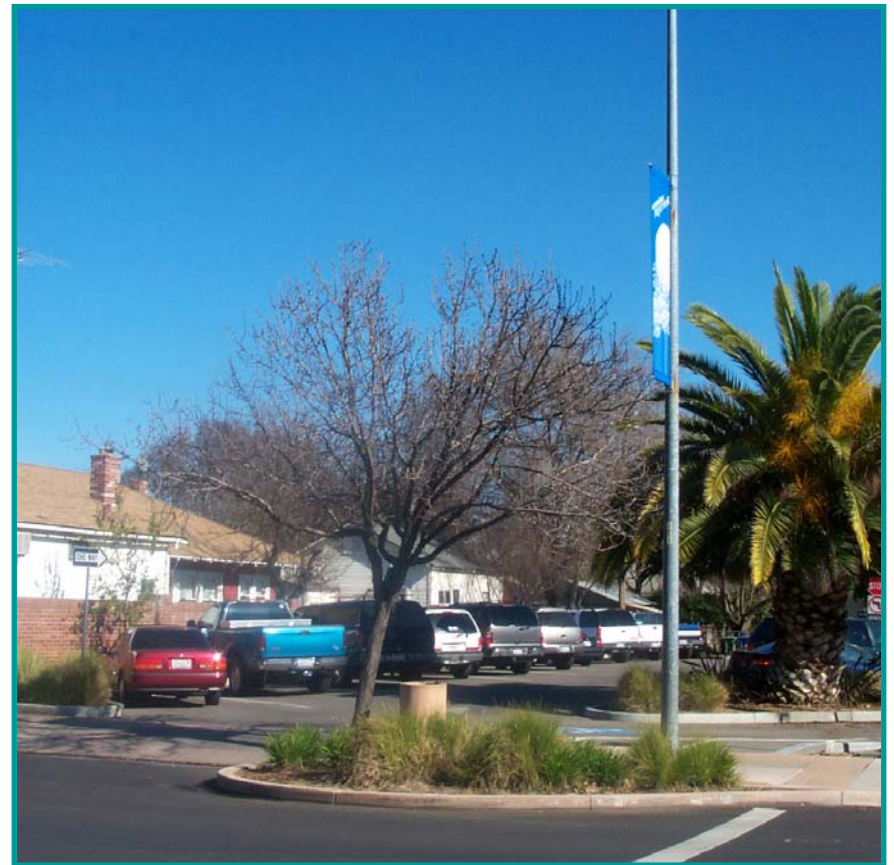


# Brentwood's Projects and Activities

Agencies determine the type of redevelopment projects and activities to undertake based upon the needs of the community.

Traditionally, Brentwood has used its Redevelopment Agency to fund infrastructure improvements:

- Roadways.
- Water.
- Sewer.
- Streetlights.
- Utility undergrounding.
- Parking lots in Downtown.
- Streetscape improvements.







# Downtown Streetscape Improvements





# New Goals and Strategies

As Brentwood has grown, so too has its redevelopment needs and goals.

The role of Brentwood Redevelopment Agency has now expanded to include more comprehensive activities to better meet the community's needs:

- ☐ Invest and leverage expenditures to increase future tax increment revenues.
- ☐ To make development happen that would not otherwise occur in a normal marketplace.
- ☐ To create jobs.
- ☐ To be an engine for economic development.
- ☐ To revitalize and sustain our Downtown and Brentwood Boulevard Corridor districts.

# New Goals and Strategies

Sand Creek Business Center and Gregory Ranch highlight a successful public/private partnership.

- 40 acre mixed use development
  - 9 office buildings
  - Storage facility
  - Hotel
  - 2 restaurant sites
  - 120 townhomes
  - 10 acre business center



URBAN CONTEXT  
**SAND CREEK BUSINESS CENTER**  
BRENTWOOD, CALIFORNIA





# New Goals and Strategies

Agency and developer entered into an agreement wherein the Agency reimbursed the developer a portion of the cost of public improvements. The Agency's investment will be repaid in 4 years and

- Create 856 jobs
- Add \$130,000 of annual hotel tax
- Add \$43,000 of annual sales tax
- Increase the assessed value of the property by \$61M (\$610,000 in Tax Increment to Agency)
- Direct and indirect impact on the local economy of \$36M annually



# New Goals and Strategies

Sunset Industrial Complex represents a non-traditional project that yielded uncommon success.

- ❑ Sunset was an economic development strategy to retain and attract local industrial employers.
- ❑ City purchased 40 acres; Agency paid for installation of infrastructure.
  - Create 17 industrial parcels
  - Create 450-500 jobs
  - Increased the assessed value of property by \$27M (\$270,000 in Tax Increment to Agency)
  - Direct and indirect impact on the local economy of \$27M annually



# Other Agency Projects

- Downtown streetscape improvements.
- Unicopy development.
- Harvest Business Park infrastructure.
- Police Facility.
- Portable stage for City Park events and festivals.
- Streetlights in Village Drive neighborhood; along Spruce St. & Railroad Ave.
- Install O'Hara Avenue extension to Central Boulevard.
- Brentwood Boulevard improvements:
  - Between Sycamore and Second Streets.
  - Between Village Drive and Sycamore Street.
  - Improve water and sewer between Lone Tree Way & Grant Street.
  - Install water and sewer connections.
  - Underground utilities.
- Surface parking lots in Downtown.
- Water and sewer service on Lone Oak Road.
- Walnut Boulevard widening.
- Balfour Road improvements, east of Brentwood Boulevard.
- Restore Delta Theater marquee.
- Specific plans, environmental studies, economic reports.
- Precision Cabinets business retention/expansion.



# Agency-Assisted Housing Projects

- Gregory Ranch – 120 townhomes with 18 affordable units
- Sycamore Place I & II – 80 affordable senior apartments
- Sycamore Square – 53 single family units with 8 affordable units
- Arbor Village – 66 single family units with 10 affordable units
- Casitas Del Sol – 9 single family units
- First Street 8-plex – 2 affordable apartments
- Villa Amador – 96 affordable apartments
- Arbor Ridge – 178 apartments with 36 affordable units
- Brentwood Senior Commons – 80 affordable senior apartments
- Pinn Brothers – 63 units with 9 affordable units
- Town Center - 137 units with 18 affordable units
- Town Center – 16 units with 2 affordable units
  
- Total Agency produced affordable units since 2000: 359



# Building a Better Brentwood

In summary, redevelopment is a successful tool for cities to:

- ☐ Keep local tax dollar at home.
- ☐ Build and rehabilitate blighted areas.
- ☐ Build a healthy local economy.
- ☐ Increase the job base.
- ☐ Generate sales tax and hotel tax.
- ☐ Create affordable housing opportunities.
- ☐ Improve infrastructure.
- ☐ Assist with much-needed community projects.
- ☐ Support the City with its implementation of the General Plan.

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